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C O N F I D E N T I A L SECTION 01 OF 03 TEGUCIGALPA 001780

SIPDIS

STATE FOR PPC, WHA/CEN

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TAGS: [PREL](#) [PGOV](#) [HO](#)

SUBJECT: CERRO LA MOLE RADAR--THE UNREQUITED PACT

Classified by PolChief Francisco Palmieri, Reasons 1.5
(b) and (d).

1. (U) Summary: In 1993, the U.S. entered into an agreement with GOH regarding the maintenance of the radar located at Cerro La Mole. The U.S. agreed to pay 75% of all maintenance costs up to a limit of \$400,000 per year, while the GOH agreed to pay 25% of the maintenance costs, in addition to the manpower needed to maintain the radar. To date, the U.S. has paid nothing under the agreement, while the GOH has paid for all maintenance costs of the equipment. U.S. noncompliance with the agreement increasingly is becoming an issue in bilateral relations between the U.S. military and the Honduran Armed Forces (HOAF). The radar equipment is part of an integrated counterdrug radar architecture in the region, and post seeks guidance on how to resolve the unsettled issue of the U.S.'s obligations under the agreement. End Summary.

THE AGREEMENT ITSELF

2. (U) In 1993 the U.S. and GOH signed a Memorandum of Understanding between the Government of the Republic of Honduras and the Government of the United States of America for the Expansion of the Radar Located in Cerro La Mole in the Caribbean Basin Radar Network (MOU). The purpose of the MOU was to reaffirm the cooperation of the two governments in the international battle against narcotics trafficking by expanding the radar capability of the region as set forth in the Caribbean Basin Radar Network agreement (CBRN) signed by the U.S. and the GOH April 7, 1989. The MOU was designed to integrate the Cerro La Mole radar (hereinafter referred to as "the radar") into the operations of the CBRN.

3. (U) The core provisions of the MOU are as follows:

-The radar is owned and operated by the GOH.

-The costs of operation and maintenance of the radar are to be borne by the GOH.

-The U.S. will have unrestricted access to the data from the radar except in the case of a Honduran national emergency (GOH will notify the U.S. in such instance). Likewise, the U.S. will provide the HOAF access to data from the U.S. owned radar on Calentura Hill.

-The U.S. and the GOH will develop a joint operations plan for the operation of the radar.

-The U.S. will provide spare parts support and technical assistance valued at a maximum of \$400,000 per year, with the GOH responsible for no less than 25 percent of the total spare parts/technical assistance costs each year.

-Materials, equipment and services imported into Honduras by the U.S. in connection with the operation and maintenance of the radars are duty-free and exempt from taxes.

-The GOH will provide land for installation of communication equipment needed to operate the radars.

-The GOH has an option to purchase the U.S. installed equipment at a price set by the parties pursuant to the U.S. Foreign Military Sales Procedures during the effective dates of the agreement.

-The financial obligations of the parties under the MOU are subject to the availability of authorized and appropriated funds of the parties.

-The MOU is effective from the date the parties exchanged notes indicating that their respective constitutional requirements have been met and remains in force until April 7, 2009.

-The MOU may be extended by written agreement of the

parties, and may be terminated at any time by either party upon one-year written notice to the other party. Within the one-year period preceding the termination of the MOU, the U.S. may remove any U.S. installed equipment that the GOH has not purchased.

THE DIPLOMACY PROBLEM

14. (C) The U.S. has not paid any of the maintenance costs for the radar, as required in the MOU. Simply stated, this is a source of tension between the HOAF and the U.S. military personnel working in Honduras. Additionally, it creates a diplomatic uncertainty for the U.S. mission and the GOH. The resulting discomfort stems from a variety of sources.
-Presumably the MOU is a legally binding contract entered into by two sovereign nations. The U.S. has a responsibility to abide by its terms.

-The U.S. military conducts a significant number of engagement activities with the HOAF in Honduras. Relations between the two militaries are adversely affected by the fact that the U.S. has not performed under the MOU.

-It is difficult to enforce proper end use of U.S. training and equipment when HOAF officials repeatedly point to the U.S.'s failure to abide by a properly executed MOU.

-The MOU issue is repeatedly raised by the HOAF and, therefore, takes up an inordinate amount of time and manpower.

THE DRUG WAR PROBLEM

15. (U) More and more frequently, Honduran waters are used by narcotraffickers for transshipment of drugs from Columbia to the U.S. The U.S. regularly asks the GOH to assist in the drug war. The radar at Cerro La Mole is a part of an integrated counterdrug radar architecture in the SOUTHCOM area of responsibility. According to U.S. military officials here in Honduras, there is essentially a "hole" in the U.S. radar capability in the Western Hemisphere. The Cerro La Mole radar would, if functional, fill that void and foster counterdrug efforts in the region. In this sense, the radar could serve a useful purpose in support of U.S. interests in the region.

THE FINANCIAL PROBLEM

16. (U) The funding for payment of the U.S. obligation to provide 75% of the radar maintenance cost apparently exists--at least in theory. \$400,000 is budgeted each fiscal year and routed to Air Combat Command. However, it is apparently unlawful to utilize these funds for the maintenance of the radar for two reasons. First of all, counterdrug money cannot fund recurring maintenance costs of equipment not owned by the U.S. Secondly, Air Combat Command is prohibited from paying recurring maintenance costs of assets that do not belong to the U.S. As a result, the \$400,000 is turned back unused each year.

THE POSSIBLE SOLUTIONS

17. (U) Post seeks guidance as to the appropriate resolution of this ongoing issue. There are several potential solutions:

-Keep the pact in place and take the steps necessary to make the funding available for its intended purpose--thereby honoring the original bargain. It is difficult to predict the cost of this option, but it is safe to say that the GOH has not spent anything close to the amount that would require the U.S. to pay \$400,000 per year for the relevant MOU time frame.

-Negotiate a lump-sum buy-out of the U.S. obligation under the MOU. This might cost anywhere between \$400,000 and \$3.6 million, according to our military sources.

-Pursuant to the terms of the MOU, notify the GOH of the U.S.'s intention to terminate the MOU--then follow through.

-Take the official position that, due to the funding predicament, Article IX of the MOU eliminates the U.S.'s

responsibility for maintenance costs under the MOU. Taking this stance, one must argue that U.S. financial obligations have always been legally non-existent.

-Enter into negotiations with the GOH in order to extricate the U.S. from the MOU. Post's recommendation briefly described below is one way of accomplishing this option.

POST'S RECOMMENDATION

18. (C) Post maintains that it is in the best interest of the U.S. to amicably resolve the U.S. obligations pursuant to the MOU. Post recommends that we negotiate an end to the MOU, while at the same time ensuring that both U.S. and Honduran interests are addressed. One possible solution is to offer to GOH the opportunity to participate in the Cooperating Nations Intelligence Exchange System (CNIES). CNIES is a system based in Key West and operated by the Joint Inter-Agency Task Force East (JIATFE). It provides images of portions of the Western Hemisphere. CNIES is a system in which the GOH is very interested, and post believes that if it were possible to provide the GOH access to CNIES, the GOH might well agree to relinquish any claims against the U.S. under the MOU. This option would solve the U.S.'s dilemma with respect to the MOU, and at the same time would provide beneficial information (particularly in terms of counter-drug efforts) to the GOH. Additionally, it is noteworthy that this option would cost the U.S. virtually nothing.

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